

NOTICE OF INTENT TO ACT UPON REGULATION

Notice of Hearing for the Adoption, Amendment or Repeal of Regulations of
The Department of Business and Industry, Division of Insurance

The State of Nevada Department of Business and Industry, Division of Insurance ("Division"), (775) 687-0700, will hold a public hearing at **1:30 p.m., on September 26, 2012**, at the Division's office located at 1818 East College Parkway, 1st floor hearing room, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2nd floor conference room, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of the regulation(s) that pertains to **chapter(s) 695C** of the Nevada Administrative Code ("NAC").

The following information is provided pursuant to the requirements of Nevada Revised Statute ("NRS") 233B.0603 and the directives of the Governor:

LCB File No. R102-12. HMO Schedules of Charges.

A regulation relating to insurance; repealing certain provisions concerning the schedules of charges of health maintenance organizations and provider-sponsored organizations; and providing other matters properly relating thereto.

- (1) Why is the regulation necessary and what is its purpose?

NAC 695C.280 ensured that Health Maintenance Organizations (HMOs) file their annual Schedule of Charges (rate manual) on a particular date. This filing requirement differs from the other types of plans, such as a Preferred Provider Organization (PPO), which require that a Schedule of Charges be filed only when modifications are proposed. AB 74 of the 2011 session of the Legislature amended the filing requirements for all insurers of health benefit plans to now require the filing of rates in accordance with NRS 686B.030. Therefore, NAC 695C.280 is no longer needed. All individual and small group rates (Schedule of Charges) must be filed for approval whenever the proposed rates are to be changed.

- (2) What are the terms or substance of the proposed regulation?

R102-12 repeals NAC 695C.280 as it is unnecessary because rates tend to fluctuate, necessitating modifications to a carrier's rate manual on a more frequent basis than annually. The Schedules of Charges (rate manual) are required to be filed in accordance with NRS 695C.180.

- (3) What is the anticipated impact of the regulation on the problem(s)?

HMOs will be treated in the same manner as other carriers and be allowed to file rates as they choose to make modifications.

- (4) Do other regulations address the same problem(s)? **No.**

(5) Are alternate forms of regulation sufficient to address the problem(s)? **No.**

(6) What value does the regulation have to the public?

The repeal of these regulations should help encourage a more competitive marketplace for health insurance.

(7) What is the anticipated economic benefit of the regulation?

a. Public

1. Immediate: **Lower administrative expenses may be passed on to the policyholder.**
2. Long Term: **Lower administrative expenses may be passed on to the policyholder.**

b. Insurance Business

1. Immediate: **Repeal of the regulation will provide the carrier with greater flexibility and eliminate unnecessary filings to the Division.**
2. Long Term: **Repeal of the regulation will provide the carrier with greater flexibility and eliminate unnecessary filings to the Division.**

c. Small Businesses

1. Immediate: **No impact.**
2. Long Term: **No impact.**

d. Small Communities

1. Immediate: **No impact.**
2. Long Term: **No impact.**

e. Government Entities

1. Immediate: **Elimination of unnecessary filings will reduce administrative burden on the Division.**
2. Long Term: **Elimination of unnecessary filings will reduce administrative burden on the Division.**

(8) What is the anticipated adverse impact, if any?

a. Public

1. Immediate: **No impact.**
2. Long Term: **No impact.**

b. Insurance Business

1. Immediate: **No impact.**
2. Long Term: **No impact.**

- c. Small Businesses
 - 1. Immediate: **No impact.**
 - 2. Long Term: **No impact.**
 - d. Small Communities
 - 1. Immediate: **No impact.**
 - 2. Long Term: **No impact.**
 - e. Government Entities
 - 1. Immediate: **No impact.**
 - 2. Long Term: **No impact.**
- (9) What is the anticipated cost of the regulation, both direct and indirect?
- a. Enactment: **None.**
 - b. Enforcement: **None.**
 - c. Compliance: **None.**
- (10) Does the regulation establish a new fee or increase an existing fee? **No.**
- (11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608.
- Allowing HMOs to submit their Schedule of Charges (rate manual) only when modifications are proposed will enhance the process and provide for regulatory efficiencies.**
- (12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency. **None.**
- (13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law. **None.**
- (14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions. **Not applicable.**

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before September 10, 2012.** If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the regulation will be available at the offices of the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://leg.state.nv.us/register/>. Copies of this notice and the proposed regulation will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Notice of the hearing was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Intent to Act Upon Regulation was posted to the agency's Internet Web site at <http://doi.nv.gov/> and was provided to or posted at the following locations:

Department of Business and Industry
Division of Insurance
1818 East College Parkway, Suite 103
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Capitol Press Room
Capitol Building Basement
Carson City, NV 89710

Donald W. Reynolds Press Center
102 North Curry Street
Carson City, NV 89701

Legislative Counsel Bureau
401 South Carson Street
Carson City, NV 89701

Office of the Attorney General
100 North Carson Street
Carson City, NV 89701

Blasdel Building
209 East Musser Street
Carson City, NV 89701

Nevada State Library & Archives
100 North Stewart Street
Carson City, NV 89701

Office of the Governor
Capitol Building
Carson City, NV 89710

Carson City Courthouse
885 East Musser Street
Carson City, NV 89701

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Main Street
Fallon, NV 89406

Clark County District Library
833 Las Vegas Boulevard North
Las Vegas, NV 89101

Elko County Library
720 Court Street
Elko, NV 89801

Eureka Branch Library
P.O. Box 293
Eureka, NV 89316

Lander County Library
P.O. Box 141
Battle Mountain, NV 89820

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Pershing County Library
P.O. Box 781
Lovelock, NV 89419

Tonopah Public Library
P.O. Box 449
Tonopah, NV 89049

White Pine County Library
950 Campton Street
Ely, NV 89301

Douglas County Library
P.O. Box 337
Minden, NV 89423

Esmeralda County Library
P.O. Box 430
Goldfield, NV 89013

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Lincoln County Library
P.O. Box 330
Pioche, NV 89043-0330


Mineral County Public Library
P.O. Box 1390
Hawthorne, NV 89415

Storey County Public Library
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
P.O. Box 2151
Reno, NV 89505-2151

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0700, no later than five (5) working days prior to the hearing.

DATED this 7th day of August, 2012.


SCOTT J. KIPPER
Commissioner of Insurance